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Arizona Corporation Commission

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BEFORE THE

OCT 06 2000

ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

DOCKETED BY

AZ CORP COMMISSION

DOCUMENT CONTROL

CASE NO: 101

DOCKET NO. L-00000S-00-0101

IN MATTER OF THE APPLICATION OF  
 MESQUITE POWER LLC, OR THEIR  
 ASSIGNEE (S) IN CONFORMANCE WITH THE  
 REQUIREMENTS OF ARIZONA REVISED  
 STATUTES § 40-360.01 ET SEQ., FOR A  
 CERTIFICATE OF ENVIRONMENTAL  
 COMPATIBILITY AUTHORIZING THE  
 CONSTRUCTION OF A NATURAL GAS-FIRED,  
 COMBINED CYCLE GENERATING FACILITY  
 LOCATED SOUTH OF ELLIOT ROAD,  
 APPROXIMATELY 37 MILES WEST OF THE  
 PHOENIX METROPOLITAN AREA, NEAR  
 ARLINGTON IN MARICOPA COUNTY,  
 ARIZONA

## PROCEDURAL ORDER

Pursuant to the discussion of the Committee at the October 4, 2000, hearing on this matter, attached hereto as Exhibit A is a proposed Certificate of Environmental Compatibility. This proposed Certificate will be considered by the Power Plant and Line Siting Committee on October 10, 2000.

IT IS HEREBY ORDERED that the Arizona Power Plant and Line Siting Committee will reconvene on Tuesday, October 10, 2000, at 3:00 at the Executive Park Best Western Hotel, 1100 North Central Avenue, Phoenix, Arizona, for consideration of the proposed Certificate of Environmental Compatibility.

ORDERED this 6<sup>th</sup> day of October, 2000.

Paul A. Bullis, Chairman

1 Pursuant to R14-3-204  
2 The ORIGINAL and  
3 Twenty-five copies were  
4 Filed this 6<sup>th</sup> day of  
5 October, 2000 with:

6 Docket Control  
7 Arizona Corporation Commission  
8 1200 West Washington Street  
9 Phoenix, Arizona 85007

10 COPY of the foregoing  
11 Faxed and mailed this 6<sup>th</sup> day of October 2000 to:

12 Timothy M. Hogan  
13 Arizona Center Law in the Public Interest  
14 202 East McDowell Rd., Suite 153  
15 Phoenix, Arizona 85004

16 Janice Alward  
17 Arizona Corporation Commission  
18 Staff Attorney, Legal Division  
19 1200 West Washington Street  
20 Phoenix, Arizona 85007

21 Lawrence V. Robertson  
22 Munger, Chadwick P.L.C.  
23 333 North Wilmot Rd., # 300  
24 Tucson, Arizona 85711

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**BEFORE THE**  
**ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE**

IN THE MATTER OF THE APPLICATION OF  
MESQUITE POWER LLC, OR THEIR )  
ASSIGNEE(S), IN CONFORMANCE WITH THE )  
REQUIREMENTS OF ARIZONA REVISED )  
STATUTES 40-360 ET SEQ., FOR A )  
CERTIFICATE OF ENVIRONMENTAL )  
COMPATIBILITY AUTHORIZING )  
CONSTRUCTION OF NATURAL GAS-FIRED, )  
COMBINED CYCLE GENERATING FACILITY )  
("MESQUITE PROJECT") LOCATED SOUTH OF )  
ELLIOT ROAD, APPROXIMATELY ONE MILE )  
EAST OF WINTERSBURG ROAD AND )  
APPROXIMATELY 37 MILES WEST OF THE )  
PHOENIX METROPOLITAN AREA, NEAR )  
ARLINGTON IN MARICOPA COUNTY, )  
ARIZONA )

DOCKET NO. L-00000S-00-0101  
(CASE NO. 101)

DECISION NO. \_\_\_\_\_

**DECISION OF THE ARIZONA POWER PLANT AND TRANSMISSION  
LINE SITING COMMITTEE AND  
CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY**

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line Siting Committee ("Committee") held public hearings at the Best Western Executive Park Hotel, 1100 North Central Avenue, Phoenix, Arizona, on Wednesday, September 6, 2000, Wednesday, October 4, 2000 and Tuesday, October 10, 2000, in conformance with the requirements of Arizona Revised Statutes Section 40-360, *et seq.*, for the purpose of receiving public comment and evidence, and deliberating on the Application of Mesquite Power, L.L.C. ("Mesquite" or "Applicant") for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case.

The following members or designees of members of the Committee were present for the hearings on the Application:

1	Paul A. Bullis	Chairman, Designee for Arizona Attorney General Janet Napolitano
2	Steve Olea	Arizona Corporation Commission
3	Richard Tobin	Arizona Department of Environmental Quality
4	Mark McWhirter	Arizona Department of Commerce.
5	Dennis Sundie	Arizona Department of Water Resources
6	George Campbell	Appointed Member
7	Jeff Maguire	Appointed Member
8	Wayne Smith	Appointed Member.

9

10 The Applicant was represented by Lawrence V. Robertson, Jr., of Munger Chadwick, P.L.C.

11 Staff of the Arizona Corporation Commission ("Staff") noticed their intervention as a party, and

12 were represented by Janice M. Alward. Arizona Center for Law in the Public Interest ("the Center")

13 noticed its intervention, but did not participate in the public hearings. There were no other

14 interventions or limited appearances.

15 At the conclusion of the hearings and deliberations, the Committee, (i) having received and

16 considered the Application, the appearances of Applicant and the Staff, the evidence, testimony and

17 exhibits presented by Applicant and the Staff, respectively, (ii) being advised of the legal

18 requirements of Arizona Revised Statutes Sections 40-360 to 40-360.13, (iii) upon consideration of

19 the factors identified in Arizona Revised Statutes Section 40-360.06, and (iv) in accordance with

20 A.A.C. R14-3-213, upon motion duly made and seconded, voted to make the following findings and

21 to grant Applicant the following Certificate of Environmental Compatibility:

22

23 The Committee finds that the record contains substantial evidence regarding the need for an

24 adequate, economical and reliable supply of electric power within the State of Arizona, and how the

25 Applicant's proposed Mesquite Project would address such need.

26

27 Mesquite and its assignee(s), are hereby granted this Certificate of Environmental

28 Compatibility authorizing construction of a natural gas-fired, combined cycle generating facility,

1 together with related infrastructure, which shall be located in Maricopa County, Arizona, South of  
2 Elliott Road, approximately one (1) mile east of Wintersburg Road, and approximately 37 miles west  
3 of the Phoenix metropolitan area. This facility shall consist of two power blocks as described in the  
4 application, each capable of producing 625 megawatts at peak production. The related infrastructure  
5 includes facilities necessary for the interconnection of the Mesquite generating station to the  
6 Hassayampa Switchyard, as described in the application.

7 This Certificate is granted upon the following conditions:

- 8
- 9 1. The Applicant and its assignees will comply with all existing applicable  
10 air and water pollution control standards and regulations, and with all  
11 existing applicable ordinances, master plans and regulations of the State  
12 of Arizona, the County of Maricopa, the United States, and any other  
13 governmental entities having jurisdiction.
- 14 2. This authorization to construct the Mesquite Project will expire five (5)  
15 years from the date the Certificate is approved by the Arizona  
16 Corporation Commission ("Commission") unless construction of the  
17 Mesquite Project is completed to the point that the Mesquite Project is  
18 capable of operating at its rated capacity by that time; provided, however,  
19 that prior to such expiration Applicant or its assignee may request that the  
20 Arizona Corporation Commission extend this time limitation.
- 21 3. Applicant shall meet all applicable requirements for groundwater use set  
22 forth in the Third Management Plan for the Phoenix Active Management  
23 Area existing as of the date Applicant first begins withdrawing  
24 groundwater in connection with the Project. Applicant shall limit its  
25 aggregate annual withdrawal of groundwater to 7,500 acre feet for the  
26 Mesquite Project site and for implementing the portion of the  
27 Comprehensive Land Management Plan provided for at Condition No.  
28 12(ii) below.
4. Applicant will provide to the Commission, not more than 12 months prior  
to the commercial operation of the plant, a technical study regarding the  
sufficiency of transmission capacity from the plant to the wholesale  
electric market.
5. The Mesquite Project must have two lines or transformer interties  
interconnecting the Project to the Hassayampa Switchyard.
6. The plant interconnection must satisfy the Western Systems Coordinating  
Council's ("WSCC") single contingency outage criteria (N-1) without  
reliance on remedial action such as generator unit tripping or load  
shedding.
7. Applicant will within fifteen (15) days of reaching such an agreement,  
submit to the Commission an interconnection agreement with the  
transmission provider with whom it will be interconnecting.

- 1 8. Applicant or one of its affiliates will become a member of WSCC, or its  
2 successor, and file a copy of its WSCC Reliability Criteria Agreement or  
3 Reliability Management System (RMS) Generator Agreement with the  
4 Commission.
- 5 9. Applicant will use commercially reasonable efforts to become a member  
6 of the Southwest Reserve Sharing Group, or its successor, thereby  
7 making its units available for reserve sharing purposes, subject to  
8 competitive pricing.
- 9 10. Applicant will use low profile structures, moderate stacks, neutral colors,  
10 compatible landscaping, and low intensity directed lighting for the plant.
- 11 11. Applicant will operate the Project so that during normal operations the  
12 Project will not exceed (i) HUD residential noise guidelines or (ii) OSHA  
13 worker safety noise standards.
- 14 12. Applicant will implement its Comprehensive Land Management Plan for  
15 the plant site and the 3,000 acre Water Property that includes:
- 16 (i) Installation of a professionally designed landscape plan for the  
17 entrance of the facility and along Elliot Road.
- 18 (ii) Implementation of a comprehensive revegetation program  
19 designed to restore portions of the water property with plant  
20 communities similar to the adjacent desert lands.
- 21 (iii) Where feasible, the development of ongoing working  
22 relationships with the Phoenix Zoo, Southwest Wildlife  
23 Rehabilitation and Educational Foundation, Inc. and Arizona  
24 Game and Fish Department to develop alternative land uses for  
25 the water property that can be beneficial to the community and  
26 consistent with an "open space" land use designation; and
- 27 13. Applicant will submit annual reports (for 10 years) to the Commission  
28 setting forth the status of implementation of the Comprehensive Land  
Management Plan and any feasible alternative land uses which may have  
been identified and agreed upon by Applicant and the aforesaid  
organizations. The first annual report shall be filed one year from the  
date this Certificate is approved by the Commission.

GRANTED this \_\_\_\_\_ day of October, 2000.

ARIZONA POWER PLANT AND  
TRANSMISSION LINE SITING COMMITTEE

By \_\_\_\_\_

Paul A. Bullis  
Chairman

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**BEFORE THE  
ARIZONA CORPORATION COMMISSION**

Having considered the factors identified in A.R.S. Section 40-360.06, and balanced, in the broad public interest, the need for an adequate, economical and reliable supply of electric power with the desire to minimize the effect thereof on the environment and ecology of this state, the Commission finds, concludes and orders that the Certificate of Environmental Compatibility be affirmed and approved.

IT IS THEREFORE ORDERED that the Certificate of Environmental Compatibility granted to Mesquite Power LLC by the Arizona Power Plant and Line Siting Committee on October 10, 2000, is hereby affirmed and approved.

IT IS FURTHER ORDERED that the this Decision shall become effective immediately.

**BY ORDER OF THE ARIZONA CORPORATION  
COMMISSION**

Chairman

Commissioner

Commissioner

In Witness Hereof, I Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, set my hand and cause the official seal of this Commission to be affixed, this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

By: \_\_\_\_\_  
Brian C. McNeil  
Executive Secretary

Dissent: \_\_\_\_\_